

Office of the Mayor
Michael J. Neitzke

October 6, 2009

Wisconsin Public Service Commission
610 North Whitney Way
Madison, Wisconsin 53705

Dear PSC Members:

On July 28, 2009 Milwaukee Water Works (MWW) received permission from the Milwaukee Common Council to apply for a conventional rate increase with the Wisconsin Public Service Commission. MWW's rate increase request results in a 28.5% increase in water rates to retail customers. This increase is in addition to the 3.8% increase that went into effect on September 1, 2009, which was previously granted by the Public Service Commission as part of the simplified rate increase.

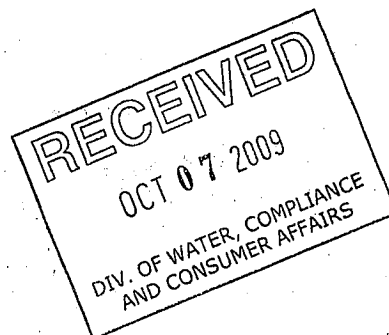
It is extremely important to note that City of Milwaukee Resolution File No: 090239 reads, "Whereas, A multi-year strategy of regular rate increases and cost containment could make a \$3 million dividend a sustainable annual payment from the Milwaukee Water Works to the general fund; . . ." In essence, our municipalities and our constituents are facing long-term continual rate increases in order to provide long-term contributions to Milwaukee's general fund.

The Commission is required to assure that utility rates are "just and reasonable." The dramatic increase proposed by the Milwaukee Water Works, for the purpose of bolstering the general fund of the City of Milwaukee, would be an unjust and unreasonable burden on the ratepayers in our communities, who would see no benefit from the increase or from such general fund contributions.

We urge the PSC to deny this proposed rate increase as it unfairly allows the City of Milwaukee to balance its annual operating budget at the expense of our constituents.

Sincerely,

Michael J. Neitzke
Mayor



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